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8 MANUEL TORRES

9 UNITED STATES BANKRUPTCY COURT  
10 NORTHERN DISTRICT OF CALIFORNIA  
11 SAN JOSE DIVISION

12 In Re: MANUEL TORRES,

13 Debtor.

CASE NO. 12-56569  
Chapter 11  
Date: November 1, 2012  
Time: 10:00 am  
Place: US Bankruptcy Court  
280 S 1<sup>st</sup> St  
Courtroom 3099 3<sup>rd</sup> Fl.,  
San Jose, CA

14 Judge: Hon. Stephen L. Johnson

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16 **DEBTOR'S PRELIMINARY STATUS REPORT**

17 Manuel Torres, Debtor, submits the following status report.

18 **(1) Post-Petition Activities**

19 A Chapter 11 bankruptcy was filed September 5, 2012.

20 The Debtors' schedules, statement of financial affairs, and other required documents  
21 were timely filed.

22 The Debtors and their attorney attended the initial debtor's interview on October 3  
23 2012 and provided required documents.

24 The meeting of creditors required by 11 U.S.C. § 341 was held on October 10, 2012 at  
25 10: 30 am and was concluded.

26 The United States Trustee has not yet appointed a committee of unsecured creditors.  
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2 **(2) Introduction to Debtors**

3 Debtor is single person with one teenage son. He operates Torres Auto Sales, a  
4 used car lot located in San Jose, CA. He has operated the sales lot for 15 years.  
5 He makes a modest living, about \$5,000 per month, and owns three residential  
6 rentals.

7 All four properties are over secured with first mortgages.

8 **(3) The Probable Reorganization to be Proposed by Debtor**

9 Debtor plans to negotiate a reasonable value and reasonable repayment terms on  
10 first mortgages on the three rentals. Motions to value collaterals are now being  
11 prepared and will soon be filed.

12 **(4) Filing of Plan**

13 The Debtors intend to file a plan prior to the end of the Debtors' exclusivity period.

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15 **(5) Cramdown**

16 The Debtors intend to confirm the plan under 1129 (a) (8)

17 **(6) Valuation of Assets**

18 The Debtors may require a Court hearing in establishing the valuation of assets.  
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20 **(7) Cash Collateral and Adequate Protection**

21 There are issues of cash collateral in this case. Debtor is impounding and segregating  
22 the rent receipts in a debtor-in-possession account.

23 **(8) Environmental Issues**

24 The Debtors are unaware of any claims which are based on environmental laws.

25 **(9) Objections to Claims**

26 Debtors do not anticipate the need to object to the claims filed to date.  
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1       **(10)       Post-Confirmation Sale of Assets**

2       The plan is not expected to include any provision for the post-confirmation sale of  
3       assets which might require the involvement of the Court.

4       **(11)       Anticipated Professional Fees**

5       The Debtors, in their capacity as debtor-in-possession, has employed Thomas O.  
6       Gillis as their attorney in the Chapter 11 case. An order authorizing such employment  
7       has been filed.

8       Attorney's fees through confirmation of a plan are estimated to be \$30,000.  
9       Accountants may need to be employed, and fees are estimated to be \$2, 500. Appraisals  
10      have been obtained prior to filing the petition.

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12      Dated: *10/26/12*

12                      Respectfully submitted,

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19                      THOMAS O. GILLIS

20      (TG/kk)